Shortfall in the production of Steel Authority of India Limited

*168. SHRI MAHENDRA PRASAD:
SHRI MURLIDHAR CHANDRAKANT BHANDARE:

Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that the Steel Authority of India Ltd. had suffered a shortfall of about 11 per cent in the production of saleable steel during the period April to September, 1990;

(b) if so, the comparative figures of production both in terms of quantity and cost for the preceding two years; and

(c) what are the main reasons for the shortfall?

THE MINISTER OF STEEL AND MINES (SHRI ASHOKE KUMAR SEN): (a) During the period mentioned, production of saleable steel was about 11 per cent less than the target. But the production for this period was more than the corresponding period of 1989.

(b) Saleable Steel Production of the Steel Authority of India Ltd. (SAIL) for the current year and the preceding two years for the period April to September, was as pollows:

Unit '000 Tonnes

[illegible]	[illegible]	[illegible]	[illegible]
Saleable Steel	3,254.8	3,[illegible]	[illegible]

It would not be in the commercial interest of SAIL to disclose the cost of production.

(c) The main reasons for the stated shortfall were:

(i) Unsatisfactory supply of power from Utilities and frequent systems disturbances especially at Bokaro;

(ii) Supplies of indigenous coking coal in inadequate quantities and of comparatively poorer quality;

(iii) Gas shortage due to restricted coke oven outputs; and

(iv) Other technological and organisational constraints.

Adverse effects on industry due to hike in excise duty on synthetics

*169. SHRIMATI MIRA DAS:
SHRI CHIMANBHAI MEHTA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have realised that excise hike on synthetics particularly Polyester Filament Yarn has reduced the revenue and the expectation of higher revenue collection has been belied;

(b) what is the amount of revenue on PFY realised since its hike on December 15th last and what is the shortfall from expected revenue collections; and

(c) whether Government have realised that the rise in the rate of taxation has diminished production or retarded growth rate in several industries; if so, what are these industries?

THE FINANCE MINISTER (SHRI YASHWANT SINHA): (a) and (b) The total amount of excise revenue collected from polyester filament yarn for the two months since 15th December, 1990 to 15th February, 1991 is provisionally placed at Rs. 239 crores. As compared to the monthly average of about Rs. 93 crores for the period 1.4.1990 to 14th December, 1990, the realisation of revenue so far after the duty hike does not indicate any shortfall.

(c) The growth rate of a particular industry depends not only on the cost of the products manufactured by it but also on a number of factors like the state of the economy, market competition, etc. Taxation is only one of the factors which have an effect on the growth rate. There is no evidence to show that growth of particular industries has been retarded on account of the burden of taxes.